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Xinyi Glass Holdings Limited

信義玻璃控股有限公司

(Incorporated in the Cayman

Islands with limited liability)

(Stock code: 00868)



Xinyi Solar Holdings Limited

信義光能控股有限公司

(Incorporated in the Cayman

Islands with limited liability)

(Stock code: 00968)

REVISED ANNUAL CAP AMOUNT FOR CONTINUING CONNECTED TRANSACTIONS

PURCHASE OF PRODUCTION EQUIPMENT AND AUXILIARY FACILITIES AND GLASS PRODUCTS

Reference is made to the joint announcement of Xinyi Glass and Xinyi Solar dated 20 December 2018 in relation to (i) the Existing Equipment Agreement and (ii) the Existing Glass Agreement.

On 7 August 2019, Xinyi Solar (Hong Kong) entered into the Supplemental Agreement which sets forth the Revised Annual Cap (Equipment) for the purchase of the Additional Production Equipment and Auxiliary Facilities. Save for the abovementioned revisions, all other terms and conditions under the Existing Equipment Agreement remain unchanged.

The Controlling Shareholders and their respective associates are interested in 32.1% of the share capital of Xinyi Solar. Xinyi Glass is interested in 24.4% of the share capital of Xinyi Solar. Xinyi Solar is not a subsidiary of Xinyi Glass but a connected person of Xinyi Glass. The Controlling Shareholders and their respective associates are interested in 58.0% of the share capital of Xinyi Glass. Since Xinyi Glass is a substantial shareholder of Xinyi Solar, Xinyi Glass and its subsidiaries are connected persons of Xinyi Solar.

As the Purchase Agreements were entered into simultaneously between the Xinyi Glass Group as the supplier and Xinyi Solar Group as the purchaser, the amounts of the transactions under the Purchase Agreements have been aggregated as if they were one transaction for the purpose of Chapter 14A of the Listing Rules. As the applicable percentage ratios (other than the profits ratio which is not applicable) calculated (i) with reference to the Revised Annual Cap (Equipment) on a stand-alone basis, and (ii) with reference to the Existing Annual Cap (Glass) and Revised Annual Cap (Equipment) on an aggregated basis, is greater than 0.1% but less than 5%, the continuing connected transactions under each of the Purchase Agreements are subject to the reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and shareholders' approval requirements, under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the joint announcement of Xinyi Glass and Xinyi Solar dated 20 December 2018 in relation to (i) the Existing Equipment Agreement and (ii) the Existing Glass Agreement.

SUPPLEMENTAL AGREEMENT

On 7 August 2019, Xinyi Solar (Hong Kong) entered into the Supplemental Agreement which sets forth the Revised Annual Cap (Equipment) for the purchase of the Additional Production Equipment and Auxiliary Facilities. Save for the abovementioned revisions, all other terms and conditions under the Existing Equipment Agreement remain unchanged.

The table below sets forth the principal terms of the Supplemental Agreement.

Date: 7 August 2019

Parties: Wuhu Jinsanshi, a company owned by Xinyi Glass as to 85.66% and principally engaged in manufacturing of automatic machines for solar glass factory and other glass related industry, *as the supplier of the Production Equipment and Auxiliary Facilities*

Xinyi Solar (Hong Kong), a wholly-owned subsidiary of Xinyi Solar and principally engaged in the trading of solar glass products, (for and on behalf of itself and its subsidiaries), *as the purchaser of the Production Equipment and Auxiliary Facilities*

Subject matter:

Pursuant to the Supplemental Agreement, the maximum aggregate estimated purchase price payable by Xinyi Solar Group to the Xinyi Glass Group for the year ending 31 December 2019 is amended as follows:

**For the year ending
31 December 2019**

Existing Annual Cap (Equipment)	RMB36.4 million (equivalent to HK\$41.3 million)
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Revised Annual Cap (Equipment)	RMB111.6 million (equivalent to HK\$126.6 million)
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Pursuant to the Supplemental Agreement, the Existing Production Equipment and Auxiliary Facilities are replaced by the Additional Production Equipment and Auxiliary Facilities.

Revised Annual Cap (Equipment) and determination basis

The Revised Annual Cap (Equipment) for the year ending 31 December 2019 is RMB111.6 million (equivalent to HK\$126.6 million) and is determined by Wuhu Jinsanshi and Xinyi Solar (Hong Kong) (for and on behalf of itself and its subsidiaries) on an arm's length basis with reference to the current market price of similar equipment and the requirements of the Xinyi Solar Group.

REASONS FOR ENTERING INTO THE SUPPLEMENTAL AGREEMENT

Taking into consideration the latest amount of purchase under the Existing Equipment Agreement, the Xinyi Glass Directors and the Xinyi Solar Directors expect that the type, quantity and purchase price of the production equipment and auxiliary facilities currently bought from Wuhu Jinsanshi would need to be expanded. The Existing Annual Cap (Equipment) will also not be sufficient to meet the Xinyi Solar Group's requirements for the year ending 31 December 2019.

XINYI GLASS DIRECTORS' AND XINYI SOLAR DIRECTORS' VIEW ON THE TRANSACTIONS CONTEMPLATED UNDER THE EXISTING EQUIPMENT AGREEMENT (AS AMENDED BY THE SUPPLEMENTAL AGREEMENT)

The Xinyi Glass Directors (including the independent non-executive directors of Xinyi Glass) consider that the terms of the transactions contemplated under the Existing Equipment Agreement (as amended by the Supplemental Agreement) have been entered into (a) in the ordinary and usual course of the business of the Xinyi Glass Group; (b) on normal commercial terms; and (c) on terms that are fair and reasonable and in the interest of Xinyi Glass and its shareholders as a whole. As each of the following Xinyi Glass Directors, namely Dr. LEE Yin Yee, B.B.S. (Chairman of the Xinyi Glass Board), Mr. TUNG Ching Bor, Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M*, Mr. LI Ching Wai, Mr. LI Ching Leung, Mr. SZE Nang Sze and Mr. NG Ngan Ho, has interests in the share capital of Xinyi Solar and the Controlling Shareholders, each of them has abstained from voting on the resolutions approving the Existing Equipment Agreement (as amended by the Supplemental Agreement).

The Xinyi Solar Directors (including the independent non-executive directors of Xinyi Solar) consider that the terms of the transactions contemplated under the Existing Equipment Agreement (as amended by the Supplemental Agreement) have been entered into (a) in the ordinary and usual course of the business of the Xinyi Solar Group; (b) on normal commercial terms; and (c) on terms that are fair and reasonable and in the interest of Xinyi Solar and its shareholders as a whole. As each of the following Xinyi Solar Directors, namely Dr. Lee Yin Yee, B.B.S., Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M* and Mr. LI Man Yin, has interests in the share capital of Xinyi Glass, each of them has abstained from voting on the resolutions approving the Existing Equipment Agreement (as amended by the Supplemental Agreement).

IMPLICATIONS UNDER THE LISTING RULES

The Controlling Shareholders and their respective associates are interested in 32.1% of the share capital of Xinyi Solar. Xinyi Glass is interested in 24.4% of the share capital of Xinyi Solar. Xinyi Solar is not a subsidiary of Xinyi Glass but a connected person of Xinyi Glass. The Controlling Shareholders and their respective associates are interested in 58.0% of the share capital of Xinyi Glass. Since Xinyi Glass is a substantial shareholder of Xinyi Solar, Xinyi Glass and its subsidiaries are connected persons of Xinyi Solar.

As the Purchase Agreements were entered into simultaneously between the Xinyi Glass Group as the supplier and Xinyi Solar Group as the purchaser, the amounts of the transactions under the Purchase Agreements have been aggregated as if they were one transaction for the purpose of Chapter 14A of the Listing Rules. As the applicable percentage ratios (other than the profits ratio which is not applicable) calculated (i) with reference to the Revised Annual Cap (Equipment) on a stand-alone basis, and (ii) with reference to the Existing Annual Cap (Glass) and Revised Annual Cap (Equipment) on an aggregated basis, is greater than 0.1% but less than 5%, the continuing connected transactions under each of the Purchase Agreements are subject to the reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and shareholders' approval requirements, under Chapter 14A of the Listing Rules.

DEFINITIONS USED IN THIS ANNOUNCEMENT

Unless the context requires otherwise, the capitalised terms used in this joint announcement shall have the following meanings:

- “Additional Production Equipment and Auxiliary Facilities”** means the production equipment and auxiliary facilities including glass papering stacker, transition wired device, anti-reflective film coating line, tempered sheeting equipment, CNC electrical wire cutting machine, drilling machine as well as the modification and upgrade of certain existing production facilities to be purchased by Xinyi Solar (Hong Kong) and its subsidiaries from Wuhu Jinsanshi;
- “associate(s)”** has the meaning ascribed thereto under the Listing Rules;
- “connected person(s)”** has the meaning ascribed thereto under the Listing Rules;
- “Controlling Shareholders”** means the controlling shareholders (as such term is defined under the Listing Rules) of Xinyi Glass, Dr. LEE Yin Yee, B.B.S., Tan Sri Datuk TUNG Ching Sai *P.S.M, D.M.S.M*, Mr. TUNG Ching Bor, Mr. LI Man Yin, Mr. NG Ngan Ho, Mr. LI Ching Leung, Mr. LEE Sing Din, Mr. LI Ching Wai, Mr. SZE Nang Sze and their respective controlled corporations;

“Existing Annual Cap (Equipment)”	means the maximum purchase amount of the Existing Production Equipment and Auxiliary Facilities under the Existing Equipment Agreement;
“Existing Annual Cap (Glass)”	means the maximum purchase amount of the Glass Products under the Existing Glass Agreement;
“Existing Equipment Agreement”	means the equipment purchase framework agreement dated 20 December 2018 entered into between Wuhu Jinsanshi as supplier and Xinyi Solar (Hong Kong) (acting for itself and its subsidiaries) as purchaser in relation to the sales and purchase of the Production Equipment and Auxiliary Facilities (as amended by the Supplemental Agreement);
“Existing Glass Agreement”	means the glass supply framework agreement dated 20 December 2018 entered into between Xinyi Glass (Hong Kong) (for and on behalf of itself and its subsidiaries) as supplier and Xinyi Solar (for and on behalf of itself and its subsidiaries) as purchaser in relation to the sales and purchase of the Glass Products;
“Existing Production Equipment and Auxiliary Facilities”	means the production equipment and auxiliary facilities including glass papering stacker, transition wired device, anti-reflective film coating line, sewage treatment equipment as well as the modification and upgrade of certain existing production facilities to be purchased by Xinyi Solar (Hong Kong) and its subsidiaries from Wuhu Jinsanshi;
“Glass Products”	means the float glass and the architectural glass products to be purchased by the subsidiaries of Xinyi Solar Group from Xinyi Glass (Hong Kong) and its subsidiaries under the Existing Glass Agreement;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;

“Listing Rules”	means The Rules Governing the Listing of Securities on Stock Exchange;
“Main Board”	means the main board of the Stock Exchange;
“PRC”	means the People’s Republic of China which for the purpose of this joint announcement does not include Hong Kong, The Macau Administrative Region of the People’s Republic of China and Taiwan;
“Purchase Agreements”	means collectively, the Existing Glass Agreement and the Existing Equipment Agreement (as amended by the Supplemental Agreement);
“Renminbi” or RMB”	means Renminbi yuan, the lawful currency of the PRC;
“Revised Annual Cap (Equipment)”	means the maximum amount of purchase of the Additional Production Equipment and Auxiliary Facilities under the Existing Equipment Agreement (as supplemented by the Supplement Agreement);
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules;
“Supplemental Agreement”	the supplemental agreement dated 7 August 2019 entered into between Wuhu Jinsanshi as supplier and Xinyi Solar (Hong Kong) (acting for itself and its subsidiaries) as purchaser to amend the Existing Equipment Agreement;
“Wuhu Jinsanshi”	means 蕪湖金三氏數控科技有限公司 (Wuhu Jinsanshi Numerical Control Technology Co. Ltd.*), a limited liability company established in the PRC and a non-wholly owned subsidiary of Xinyi Glass;
“Xinyi Glass”	means Xinyi Glass Holdings Limited (信義玻璃控股有限公司), a company incorporated in the Cayman Islands with limited liability, all the shares of which are listed on the Main Board (stock code: 00868);

“Xinyi Glass (Hong Kong)”	means Xinyi Group (Glass) Company Limited (信義集團(玻璃)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Xinyi Glass;
“Xinyi Glass Board”	means the board of Xinyi Glass Directors;
“Xinyi Glass Directors”	means the directors of Xinyi Glass;
“Xinyi Glass Group”	means Xinyi Glass and its subsidiaries;
“Xinyi Solar”	means Xinyi Solar Holdings Limited (信義光能控股有限公司), a company incorporated in the Cayman Islands with limited liability, all the shares of which are listed on the Main Board (stock code: 00968);
“Xinyi Solar (Hong Kong)”	means Xinyi Solar (Hong Kong) Limited (信義光能(香港)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Xinyi Solar;
“Xinyi Solar Board”	means the board of Xinyi Solar Directors;
“Xinyi Solar Directors”	means the directors of Xinyi Solar;
“Xinyi Solar Group”	means Xinyi Solar and its subsidiaries; and
“%”	means per cent.

By order of the board of directors of
Xinyi Glass Holdings Limited
Dr. LEE Yin Yee, B.B.S.
Chairman

By order of the board of directors of
Xinyi Solar Holdings Limited
LEE Yau Ching
Executive Director and Chief Executive Officer

Hong Kong, 7 August 2019

* *For identification only.*

Unless the context requires otherwise, the translation of RMB into HK\$ in this joint announcement is based on the rate of RMB0.8811 = HK\$1.0. No representation is made that any amount in RMB and HK\$ can be or could have been converted at the relevant dates at these rates or any other rates at all.

As of the date of this joint announcement, the Xinyi Glass Board comprises four executive directors, namely Dr. LEE Yin Yee, B.B.S. (Chairman), Mr. TUNG Ching Bor, Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M and Mr. LEE Shing Kan, four non-executive directors, namely Mr. LI Ching Wai, Mr.

LI Ching Leung, Mr. SZE Nang Sze and Mr. NG Ngan Ho, and five independent non-executive directors, namely Mr. LAM Kwong Siu, S.B.S., Mr. WONG Chat Chor Samuel, Dr. WONG Ying Wai, G.B.S., JP, Mr. TRAN Chuen Wah, John and Mr. TAM Wai Hung, David.

As of the date of this joint announcement, the Xinyi Solar Board comprises four executive directors, namely Dr. LEE Yin Yee, B.B.S. (Chairman), Mr. LEE Yau Ching, Mr. LI Man Yin and Mr. CHEN Xi, two non-executive directors, Tan Sri Datuk TUNG Ching Sai P.S.M, D.M.S.M and Mr. LEE Shing Put, B.B.S., and three independent non-executive directors, namely Mr. CHENG Kwok Kin, Paul, Mr. LO Wan Sing, Vincent and Mr. KAN E-ting, Martin.

This joint announcement will be published on the websites of the Stock Exchange at www.hkexnews.hk, Xinyi Glass at www.xinyiglass.com.hk and Xinyi Solar at www.xinyisolar.com.